

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 PA-04 PRS-01 USIA-15 DRC-01

DODE-00 PM-07 H-03 L-03 NSC-07 SP-03 SS-20 AID-20

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 3602

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DEPT PLEASE PASS DEPT OF LABOR

E.O. 11652: N/A

TAGS: ELAB, PFOR, PGOV, VE

SUBJECT: LABOR ASPECTS OF PRESIDENT PEREZ' MAY DAY SPEECH

REF: CARACAS 3769

1. PRESIDENT PEREZ DELIVERED MAJOR ECONOMIC AND SOCIAL POLICY SPEECH APRIL 29 IN CONNECTION WITH INTERNATIONAL LABOR DAY OBSERVANCE MAY 1. SPEECH CONTAINED PROPOSALS FOR MAJOR FISCAL REFORMS AND SERIES OF MEASURES FOR DEVELOPMENT OF ECONOMY, PARTICULARLY THE AGRICULTURAL SECTOR. THESE ARE REPORTED SEPARATELY. WITH PARTICULAR REGARD TO LABOR, THE SPEECH EMPHASIZED THE IMPORTANCE PRESIDENT PEREZ' ADMINISTRATION PLACES ON A MORE EQUITABLE DISTRIBUTION OF INCOME AND ON CREATION OF FULL EMPLOYMENT OPPORTUNITIES. PRESIDENT CALLED UPON CONGRESS TO PASS SPECIAL LAWS PROVIDED FOR BY THE CONSTITUTION TO IMPLEMENT QUICKLY THE NUMEROUS MEASURES DESIGNED TO ACHIEVE THESE GOALS.

2. IN CITING NEED TO PROTECT VENEZUELA'S DEMOCRATIC SYSTEM, PRESIDENT PEREZ SAID THE GOVERNMENT HAS A RESPONSIBILITY TO AID THE 600,000 VENEZUELANS WHO ARE EITHER UNEMPLOYED OR IN A CONDITION OF DISGUISED  
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UNEMPLOYMENT, AS WELL AS THOSE 600,000 ADDITIONAL WORKERS WHO EARN

LESS THAN 250 BOLIVARES MONTHLY (U.S. EUUALS 4.28 BOLIVARES).

PRESIDENT PEREZ REAFFIRMED THAT HIS ADMINISTRATION WILL INTERVENE TO ACHIEVE THE FULL EMPLOYMENT OF HUMAN RESOURCES, PROTECT PURCHASING POWER, AND PROVIDE BALANCED INCOME AND EMPLOYMENT OPPORTUNITIES THROUGHOUT THE COUNTRY. HE CITED GOVERNMENTAL DECREES ALREADY ISSUED TO INCREASE EMPLOYMENT, E.G., A REQUIREMENT THAT ALL ELEVATORS IN COMMERCIAL, INDUSTRIAL, AND SERVICE BUILDINGS HAVE ELEVATOR OPERATORS.

PRESIDENT NOTED THAT THE PRIVATE SECTOR EMPLOYES 78 PERCENT OF THE LABOR FORCE, AND ALSO RECEIVES NUMEROUS GOVERNMENTAL INCENTIVES WHICH OFTEN ONLY SERVE TO REPLACE WORKERS WITH TECHNOLOGY. PRESIDENT ANNOUNCED THE ESTABLISHMENT BY DECREE OF TRI-PARTITE COMMISSIONS (LABOR, GOVERNMENT, BUSINESS) TO REVIEW THE IMPACT OF NEW TECHNOLOGY ON EMPLOYMENT AND TO LIMIT THE APPLICATION OF GOVERNMENTAL INCENTIVES WHENEVER THERE IS A NEGATIVE EMPLOYMENT IMPACT (DECREE NUMBER 59 OF APRIL 28).

3. THE PRESIDENT PROPOSED A LAW TO LEGALIZE THE ESTABLISHMENT OF A MINIMUM WAGE FOR ALL WORKERS, RURAL AND URBAN, IN BOTH PUBLIC AND PRIVATE SECTORS, OF 15 BOLIVARES DAILY, IN CASH WAGES, AND A MINIMUM OF 10 BOLIVARES DAILY - CASH WAGES, FOR DOMESTIC SERVANTS. TO PREVENT LARGE-SCALE DISMISSALS, EMPLOYEES MAY NOT BE FIRED FOR 180 DAYS PENDING ISSUANCE OF THE MINIMUM WAGE DECREE. PRESIDENT PEREZ ALSO CALLED FOR A WAGE INCREASE OF 25 PERCENT FOR ALL WORKERS EARNING LESS THAN 1,000 BOLIVARES MONTHLY, 20 PERCENT FOR THOSE EARNING BETWEEN 1,000 AND 2,000 BOLIVARES, 15 PERCENT FOR THOSE RECEIVING 2,000 AND 3,000 BOLIVARES, 10 PERCENT BETWEEN 3,000 AND 4,000 AND 5 PERCENT FOR THOSE EARNING BETWEEN 4,000 AND 5,000 BOLIVARES. THESE INCREASES WILL ALSO APPLY TO PUBLIC PENSIONERS AND TO SOCIAL SECURITY BENEFICIARIES. (ALTHOUGH THE DATE THAT THESE INCREASES BECOME EFFECTIVE WAS NOT STATED, IT IS ANTICIPATED THAT GOVERNMENT WILL STRIVE FOR JUNE 1.) THE PRESIDENT EMPHASIZED THAT WORKERS HAVE A RIGHT TO NEGOTIATE EVEN BETTER BENEFITS UNDER COLLECTIVE BARGAINING CONTRACTS. HE ALSO STATED THAT WORKERS' RIGHTS TO LONGEVITY AND SEPARATION PAYMENTS, AND THE EMPLOYERS' RESPONSIBILITIES FOR THESE BENEFITS, MUST BE RECOGNIZED AND REGULATED BY LAW.

4. MEASURES PROPOSED TO PROTECT WORKERS' PURCHASING POWER BY GOVERNMENTAL WHOLESALING OF COMMODITIES TO STORES IN BARRIOS, BY CONTINUATION OF PRICE CONTROLS, AND BY LIMITATION OF INTEREST RATES LIMITED OFFICIAL USE

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ARE BEING REPORTED SEPARATELY.

5. SPECIAL ATTENTION GIVEN THROUGHOUT SPEECH TO THE PLIGHT OF AGRICULTURAL SECTOR. SMALL FARMERS ARE TO BE BENEFITED BY A LAW ON THE REMISSION, RECONVERSION, AND CONSOLIDATION OF DEBTS AND BY TAX INCENTIVES.

6. COMMENT: PRESIDENT PEREZ' SPEECH RECALLS MANY ASPECTS OF OUR

OWN NEW DEAL OF 1930'S AND WILL DOUBTLESSLY RECEIVE SIMILAR  
WARM SUPPORT FROM THE ORGANIZED LABOR MOVEMENT HERE.  
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## Message Attributes

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